

NOTICE TO BORROWERS

Your loan is being financed with a mortgage made available with the assistance of the Maryland Community Development Administration ("CDA"). This mortgage is made at an interest rate below what is usually being charged. Because of this, your mortgage provides that you cannot sell your home to a person ineligible for assistance from CDA, unless you pay your loan in full. If you sell your home to a party ineligible for CDA's assistance, and allow the buyer to make your payments for you (assume your loan), CDA may refuse to allow the sale and demand full repayment of the loan. This could result in foreclosure of your mortgage and repossession of the property. If the lender takes your home through foreclosure of the mortgage because of these reasons, the mortgage insurer or guarantor will not be able to help you.

If the money received from the foreclosure sale is not enough to pay the remaining amount of money you owe on the loan, CDA may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment may be taken over by the mortgage insurer or guarantor if CDA files an insurance claim with the mortgage insurer or guarantor because of the foreclosure. The mortgage insurer or guarantor may then bring an action against you to collect the judgment.

(Name of Borrower)

(Date)

(Name of Borrower)

(Date)